



ENERGY ASSURANCE DAILY

Wednesday Evening, February 23, 2011

Major Developments

Unrest Forces Offline at Least 400,000 b/d of Oil Production in Libya by February 23

Brent crude prices surged to their highest levels since 2008 as unrest forced offline at least 400,000 b/d of oil production in Libya by February 23, Reuters said, citing company estimates. Libya produces 1.6 million b/d of crude oil. It exports the vast majority – 1.3 million b/d – of that total. Sources offered conflicting reports on the status of the nation's ports and terminals: CMA GMN shipping group said that all ports and terminals were temporarily shut, but trade and shipping sources said that at least three tankers had left Libyan oil ports over the past 24 hours. Multiple companies reported specific impacts:

- Repsol shut its 200,000 b/d El-Sharara oilfield, the company said by February 23 (an industry source confirmed the production total).
- Eni shut an unspecified quantity of output. The company produced 108,000 b/d of oil in Libya during 2009.
- BASF's Wintershall shut up to 100,000 b/d of production, the company said on February 23.
- Total began to suspend some production, but a spokeswoman said today that it was "still too early to estimate the impact." The company produces 55,000 b/d in Libya.
- OMW warned it could be forced to shut all of its production – 33,000 b/d – in Libya.

<http://www.reuters.com/article/2011/02/23/libya-oil-idUSLDE71M1RM20110223>

<http://english.ahram.org.eg/NewsContent/2/8/6268/World/Region/All-Libyan-ports-temporarily-closed.aspx>

<http://www.sfgate.com/cgi-bin/article.cgi?f=%2Fg%2Fa%2F2011%2F02%2F23%2Fbloomberg1376-LH2G0K6JTSEE01-67UR6CVFKK02UVSNAB4637JTCE.DTL>

Reuters, 11:16 February 23, 2011

Reuters, 12:22 February 23, 2011

Update: Despite Reassurances from Saudi Arabia, U.S. DOE Official, Oil Prices Surge on Libyan Unrest February 22

Oil prices surged amid unrest in Libya on February 22 despite Saudi Arabian assurances that OPEC was prepared "to meet any shortage in supply" and a U.S. Department of Energy (DOE) official's contention that excess global oil output capacity could compensate for any lost production. The International Energy Agency (IEA), meanwhile, said yesterday that industrialized nations were, in the event of a supply crunch, prepared to release oil from reserves.

http://www.nytimes.com/2011/02/23/business/global/23oil.html?_r=2&hp

<http://www.nytimes.com/reuters/2011/02/22/business/business-us-oil-birol-indonesia.html?scp=1&sq=%2b%22energy+policy%22&st=nyt>

<http://thehill.com/blogs/e2-wire/677-e2-wire/145551-energy-department-official-cites-resilience-in-oil-markets-amid-libyan-unrest>

Update: After Winter Storm, Nearly 60,000 Customers Remain without Power in U.S. Midwest February 23

A winter storm knocked out power to more than 400,000 customers across the U.S. Midwest on February 21-22, but fewer than 60,000 customers remained without power this afternoon, according to news and company sources. The following table lists peak and current outage figures, based on latest available data.

U.S. Midwest Customer Power Outages February 21 – 23, 2011			
Electric Utility	State	Peak	Latest Reported
FirstEnergy	OH	200,000	4,572
Consumers Energy	MI	189,000	52,000
Midwest Energy Cooperative	MI/IN/OH	16,000	1,921
Indiana Michigan Power	MI/IN	6,800	0
DTE Energy	MI	1,600	0
TOTAL*		413,400	58,493

*Total outages only represent electric utilities listed in this table.

Sources:

FirstEnergy: http://www.firstenergycorp.com/outages/outages.do?state_code=OH ,

[http://www.firstenergycorp.com/NewsReleases/2011-02-](http://www.firstenergycorp.com/NewsReleases/2011-02-22%20Service%20Restored%20to%20More%20Than%20180%2C000%20FirstEnergy.pdf)

[22%20Service%20Restored%20to%20More%20Than%20180%2C000%20FirstEnergy.pdf](http://www.firstenergycorp.com/NewsReleases/2011-02-22%20Service%20Restored%20to%20More%20Than%20180%2C000%20FirstEnergy.pdf) ,

http://blog.cleveland.com/metro/2011/02/freezing_rain_leaves_80000_wit.html

Consumers Energy: <http://www.consumersenergy.com/News.aspx?id=4318&year=2011>

Midwest Energy Cooperative: <http://ebill.teammidwest.com/oms/outageMap> ,

http://www.mlive.com/news/kalamazoo/index.ssf/2011/02/16000_midwest_energy_cooperati.html

Indiana Michigan Power:

<https://www.indianamichiganpower.com/outages/details.aspx?stormName=Feb.%2021%20Three%20Rivers%20ice%20storm>

DTE Energy: <http://www.dteenergy.com/map/outage.html> ,

<http://www.monroenews.com/apps/pbcs.dll/article?AID=/20110221/NEWS01/702219977> ,

<http://www.monroenews.com/apps/pbcs.dll/article?AID=/20110223/NEWS01/702239983/-1/NEWS>

Electricity

Update: Storms Cut Power to 744,000 PG&E Customers in California over Weekend

Storms cut power to some 744,000 Pacific Gas and Electric Company (PG&E) customers over the weekend, but the company aimed to restore power to all of the affected customers yesterday evening, a PG&E spokesman said.

<http://www.sacbee.com/2011/02/22/3422559/pge-seeks-to-restore-power-to.html>

Transmission Line Issue Knocks Out Power Briefly to about 46,000 RG&E Customers in New York February 23

A wire fell on a transmission line this morning, knocking out power briefly to about 46,000 Rochester Gas and Electric (RG&E) customers in New York on February 23, news and company sources said. RG&E restored power to all of the affected customers in less than two hours.

<http://www.democratandchronicle.com/article/20110223/NEWS01/110223010/Power-restored-west-side-Monroe-County?odyssey=nav/head>

Entergy's 979 MW Indian Point Nuclear Unit 3 in New York Shut by February 23

A leak along the unit's service water piping led to a technical specification that forced Entergy to begin shutting the unit on February 22, the company said in a filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of February 22 the unit was operating at full power.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2011/20110223en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2011/>

AES's 227 MW Huntington Beach Gas-Fired Unit 4 in California Reduced by February 22

According to the California Independent System Operator, the unit reported an unplanned curtailment of 136 MW by February 22.

<http://www.caiso.com/unitstatus/data/unitstatus201102221515.html>

CenterPoint Energy Installs One Million Electric Smart Meter in Texas by February 23

CenterPoint Energy, Inc.'s electric transmission and distribution subsidiary began installing the meters in March 2009. The company is on schedule to install more than 2 million meters by mid-2012.

<http://www.centerpointenergy.com/newsroom/newsreleases/electricity/343bacdbc8f4e210VgnVCM10000026a10d0aRCRD/>

Petroleum

ExxonMobil Sees No Impact on Production after Compressor Trip at 567,000 b/d Baytown, Texas Refinery February 22

The incident led to flaring, the company said in a filing with state regulators. Operators restarted the compressor within minutes, according to the filing.

<http://www11.tceq.state.tx.us/oce/eei/index.cfm?fuseaction=main.getDetails&target=151069>

Thailand's PTTEP Plans to Boost Oil-and-Gas Production by 275,000 boe/d in 2011

Thailand's PTT Exploration and Production Plc (PTTEP) expects to boost production by 275,000 barrels of oil equivalents per day (boe/d) in 2011. It plans to open a new project in Vietnam, restart its Montara field offshore, and receive oil from its KKD oil sands project in Canada.

<http://www.bangkokpost.com/business/economics/223023/pttep-downgrade-won-t-affect-fund-raising-plan>

Natural Gas

Update: Cabot Oil & Gas to Open Four New Compressor Units at Lathrop Compressor Station in Pennsylvania by April 1

Cabot Oil & Gas plans to open four new compressor units – each with a capacity of 35-75 MMcf/d – at its Lathrop compressor station in Pennsylvania by April 1, it said on February 22. The company is commissioning the project's first unit, plans to open two more units by March 1, and expects to open a fourth unit by April 1. The expansion will boost the station's capacity to 450 MMcf/d.

<http://phx.corporate-ir.net/staging/phoenix.zhtml?c=116492&p=irol-newsArticle&ID=1531566&highlight=>

Other News

Fog Disrupts Traffic along Houston Ship Channel February 22

Pilots stopped boarding inbound and outbound vessels along the Houston Ship Channel on February 22, due to fog, preventing tankers from entering the Port of Houston, the U.S. Coast Guard said. Some 56 vessels were waiting to enter the port and another 10 were waiting to leave, a Coast Guard official said on February 22.

<http://www.reuters.com/article/2011/02/22/shipping-houston-fog-idUSN2231565420110222>

<http://www.bloomberg.com/news/2011-02-22/fog-halts-houston-ship-pilots-inbound-outbound-boarding-1-.html>

Energy Prices

U.S. Oil and Gas Prices February 23, 2011			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	96.04	83.89	78.31
NATURAL GAS Henry Hub \$/Million Btu	3.83	3.92	4.92

Source: Reuters

Energy Notes

10,819 CenterPoint Energy Customers in Texas Lose Power Briefly Afternoon February 23
<http://gis.centerpointenergy.com/OutageTracker/Default.aspx>

Debris Falls Onto Transmission Line, Knocks Out Power to about 10,000 Tucson Electric Customers in Arizona February 22 – Company Restores Power to all but 1,000 Customers within Hours
http://azstarnet.com/news/local/article_1e4f5b2a-3ee2-11e0-9810-001cc4c002e0.html

Thieves Steal Copper Wire from AEP Substation in Neffs, Ohio, Knocking Out Power to 1,500 Customers February 22
<http://www.statejournal.com/story.cfm?func=viewstory&storyid=94812>

Iberdrola Renewables Plans 48 MW Groton Wind Farm in Groton, New Hampshire – Facility to Enter Service by December 2012
<http://www.iberdrolarenewables.us/groton.html>
<http://ap.brainerddispatch.com/pstories/business/20110222/789455054.shtml>

First Wind Subsidiary Plans 34 MW Blue Hill Wind Project in Hancock County, Maine
<http://www.maine.gov/doc/lurc/projects/Windpower/FirstWind/BlueSkyEast/BlueSkyEast.html>
<http://ap.brainerddispatch.com/pstories/business/20110222/789455054.shtml>

NStar Seeks to Purchase Electricity from Proposed 29 MW Hoosac Wind Power Project in Massachusetts
<http://ap.brainerddispatch.com/pstories/business/20110222/789455054.shtml>

NRC to Investigate Unplanned Increase in Reactor Power during Main Turbine Control Valve Testing on February 12 at Dominion Resources' 2,097 MW Millstone Nuclear Power Plant in Connecticut
<http://www.nrc.gov/reading-rm/doc-collections/news/2011/11-003.i.pdf>
<http://www.theday.com/article/20110222/NWS01/302229934/1019&town=>

U.K. Continental Shelf Could Contain up to 24 Billion Barrels of Oil and Gas: Oil & Gas UK
<http://www.oilandgasuk.co.uk/news/news.cfm/newsid/584>

ESD Trip Forces Shut Tilden Gas Plant in Texas February 22
<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=151063>

EPA Establishes Clean Air Act Standards for Boilers and Incinerators February 23
<http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/06ddff3abfb133d585257840005e6406!OpenDocument>

Links

This Week in Petroleum from the Energy Information Administration (EIA)
<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>
Updated every Wednesday.

Weekly Petroleum Status Report from EIA
http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html
Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA
<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>
Updated after 2:00 PM EST every Thursday.

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<http://www.oe.netl.doe.gov/ead.aspx>

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